

Tuesday, 29 September 2026

RBA rate rise will add to cost-of-living and risk higher unemployment

Working Australians are justifiably angry and concerned by the Reserve Bank's decision to increase interest rates for the fourth time this year.

Australian Unions warn the Reserve Bank's decision to lift interest rates to 4.60 per cent will only put working Australians under more financial strain and put thousands more jobs at risk.

Today's rate hike will add an extra \$110 a month to the cost of repaying an average mortgage of \$731,000.

Combined with the impact of the three previous rate rises this year, today's decision means working Australians now need to find an extra \$460 a month to service an average mortgage.

At the same time, tens of thousands of others will find it harder to manage higher petrol prices due to Donald Trump's Middle East war, on top of higher rents, utility bills, groceries and other essentials.

The Reserve Bank also risks driving unemployment higher and undoing the gains made in secure work since the pandemic. In doing so, it is walking away from its commitment to full employment.

Today's decision shows the Reserve Bank has lost sight of its dual mandate and is adding significantly to the risk that workers will have their hours reduced or be forced out of employment altogether. The 723,000 Australians currently out of work will also face a harder time finding a job.

Quotes attributable to ACTU Secretary, Melissa Donnelly:

"Today's decision by the Reserve Bank adds to cost-of-living pain and the risk of even higher unemployment for working Australians.

"The Reserve Bank has been signalling it would abandon its dual employment mandate to fight inflation, and that is exactly the outcome it voted for today. We already have 723,000 unemployed in the country, and that number shouldn't go any higher.

"Working people didn't cause this inflation, and we can't be expected to control it. Global oil shocks from Donald Trump's Middle East war and capacity pressures in the economy from big infrastructure projects, like data centres, are behind inflation.

"Workers are not responsible for these global forces, yet the Reserve Bank is making us take the fall for factors beyond our control. Today's decision just piles on more cost-of-living pressure for working people who are already stretched to the limit with big supermarkets continuing to price gouge.

"Finding an extra \$460 a month to manage an average mortgage will hit workers hard, as will trying to cover rent and other essentials, like petrol, food and utility bills.

"Unions already hear from workers who are forced to draw down on their remaining savings just to pay their mortgage or rent. When the Reserve Bank raises interest rates, these are the workers who are hit the hardest, especially if they are at risk of losing their job.

"Unemployment is at its highest rate in nearly five years, and interest rates are at a 15-year high. Unions fear that the Reserve Bank is racing towards a cliff. Our current inflation challenges come from Donald Trump's war, and higher interest rates will not change that one bit."

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